

July 25, 2014

Case No 13-53846

Judge Steven W. Rhodes

C/O Clerk of Court

Eastern District of Michigan

Southern District

211 W. Fort Street Suite, 1800

Detroit, Michigan

FILED
2014 JUL 28 P 3:25
U.S. BANKRUPTCY COURT
E.D. MICHIGAN - DETROIT

Supplementary Objection

Objection Docket # 596, No. 4; how can our right to sue be threatened and or eliminated?

As a retiree of Class 11 and Class 12 of the City of Detroit, in the Bankruptcy Fourth Amended Disclosure Statement with Respect to the Fourth Amended Plan for the City of Detroit, I objects to any and all releases in the plan that attempt to take my right to pursue legal actions against the City, State of Michigan, its officials and certain other related parties.

11U.S.C 903 states that chapter 9 does not limit or impair the power of a State to control, by legislation or otherwise, a municipality of or in such State in the exercise," ***with two exceptions-a state law prescribing a method of composition of municipal debt does not bind any non-consenting creditor, nor does any judgment entered under such state law bind a non-consenting creditor.***

I did not give my consent to the Plan of Adjustment, I rejected the Plan and I objected to it. I waive no rights to my full pension, annuities and medical benefits.

Language from the Plan of Adjustment for Plan Releases:

If the Plan is confirmed, it will be binding on you whether or not you vote. You will have no right to demand that the City pay you the full original amounts it owed for your pension or your OPEB benefits. You will only have the right to your reduced pension benefits or the treatment for OPEB Claims under the Plan.

Comprehensive State Release

In addition to protection from further claims against the City that is a standard part of any plan of adjustment, the Plan also proposes to grant to the State of Michigan, its officials and certain other related parties a comprehensive release of any obligation they might have with respect to your pension claim and other claims against the City. This is called the Comprehensive State Release. The Bankruptcy Court will have to approve this Comprehensive State Release, and it may not do so. If the Comprehensive State Release is approved, you will not be allowed to sue the State, the City or any State officials to restore pension benefits or argue that the City did not have the power to reduce pensions, even if you vote to reject the Plan, you vote to reject the Plan. Specifically, this release would release all claims and liabilities arising from or related to the City, the Chapter 9 Case (including the authorization given to file the Chapter 9 Case), the Plan and exhibits thereto, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution. If you are an active employee, the Comprehensive State Release does not release or discharge rights you have to your New Accrued Pension. If the Bankruptcy Court confirms the Plan but does not approve the Comprehensive State Release (or if the other

conditions to Outside Funding are not met), the State does not have to contribute its \$350 million State Contribution to GRS and PFRS. If the State's money is not contributed, then none of the other sources of Outside Funding will make their payments, either. In that case, none of the \$816 million in contributions will be made to the pension plans, Alternative B will take effect and your pension benefit cuts will be at the higher levels set forth in the chart on page 17 of this Disclosure Statement.

Release by Claim Holders in Classes 10 or 11 Accepting the Plan

The Plan also provides for an "Accepting Holders Release." The Accepting Holders Release would be granted by individual creditors by their accepting the Plan. This means that if you individually vote to accept the Plan, you will be personally releasing the City and its related entities, the State and its related entities, the Retiree Committee, the members of the Retiree Committee, the Retiree Committee professionals, the Foundations and other organizations who are providing Outside Funding and their related entities except for such parties' gross negligence or willful misconduct, but only if the Initial Funding Conditions (which include adoption of relevant legislation and appropriations by the State and completion of necessary agreements and documents by the State and the other Outside Funding parties, among other things) that can be satisfied before the Confirmation Hearing are satisfied or waived. In other words, if you hold a claim in Class 10 or Class 11 and you vote to accept the Plan you may not be allowed to sue the State, the City or any State individuals or entities to restore pension benefits or argue that the City did not have the power to reduce pensions. However, if Classes 10 and 11 vote to accept the Plan, but the Initial Funding Conditions are not satisfied or waived before the Confirmation Hearing, then your vote to accept the Plan will be treated as a vote to reject the Plan, and the voluntary Accepting Holders Release will not apply to you. For the avoidance of doubt, the Plan (including the Comprehensive State Release and the Accepting Holders Release) does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees and/or their respective collective bargaining representatives to the extent permitted by applicable non-bankruptcy law and/or the Plan. (Page 28, Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts or the City of Detroit.)

Respectfully Submitted By City of Detroit Retiree

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